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Proposed programme budget for the biennium 2008-2009*

Part IV
International cooperation for development

Section 13
International Trade Centre UNCTAD/WTO

(Programme 10 of the biennial programme plan and priorities for the period 2008-2009)**

* A summary of the approved programme budget will subsequently be issued as *Official Records of the General Assembly, Sixty-second Session, Supplement No. 6* (A/62/6/Add.1).

** *Official Records of the General Assembly, Sixty-first Session, Supplement No. 6* (A/61/6/Rev.1).

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Preliminary estimate to accommodate the International Trade Centre programme of activities during the biennium 2008-2009

13.1 The General Assembly, in section I of its resolution 59/276, endorsed revised administrative arrangements for the International Trade Centre UNCTAD/WTO (ITC) as set out in the report of the Secretary-General (A/59/405).

13.2 In conformity with these administrative arrangements, after consultations between the secretariats of the United Nations, the World Trade Organization (WTO) and ITC, a proposal in the form of a simplified fascicle, in United Nations format, is submitted in the second quarter of the year preceding the forthcoming financial period to the General Assembly and the WTO General Council, with a request that both bodies take note of the planned level of resources to be requested. The proposals outlined below are of an interim nature.

13.3 ITC is responsible for the implementation of subprogramme 6 of programme 10, Trade and development, of the biennial programme plan for the period 2008-2009.

13.4 ITC is a joint body of the United Nations and WTO expressly mandated to provide technical assistance to facilitate the integration of developing countries and economies in transition, and in particular the least developed countries, into the multilateral trading system through export promotion and international business development. The Centre's interventions concentrate on three strategic objectives: (a) strengthening the international competitiveness of enterprises; (b) developing the capacity of trade service providers to support businesses; and (c) supporting policymakers in integrating the business sector into the global economy. ITC clients are, by definition, small entities and require projects that are in line with their absorptive capacity. The central role of ITC in the Aid for Trade Initiative and its implementation at the country level have been recognized at several forums in the recent past. It is therefore very likely that ITC will be called upon to deliver much higher levels of trade-related technical assistance in the near future.

13.5 ITC basically delivers advisory services and, unlike other technical assistance programmes where physical infrastructure or consumable goods may absorb a large amount of resources requiring a limited number of processes, the Centre's work consists of a very high number of low-unit-cost actions. Over the period 2000-2006, regular budget resources increased by 17.3 per cent (from SwF 29.5 million to SwF 34.6 million). Correspondingly, ITC increased its technical assistance by 118 per cent (from $11.6 million to $25.3 million). Current requests from ITC clients amount to 300 per cent more than total ITC technical assistance in 2006. The demand for ITC services from both donors and beneficiaries is likely to continue. Country-level technical assistance support is provided from extrabudgetary resources, matched by assessed resources for technical research and the development of tools, training materials and publications. ITC has embarked on a process of change management, which has been largely driven by the findings of the comprehensive external evaluation of ITC commissioned by a group of donors. This process aims to increase overall impact, implement results-based management and better communicate ITC best practice. Concurrent with this request, the revised biennial programme plan for 2008-2009, which will take into account the Centre's new strategic objectives as well as the key results coming out of the change management process, will be reviewed by the Joint Advisory Group of ITC at its annual meeting in April 2007. Following the review, the revised biennial programme plan will be submitted to the Committee for Programme and Coordination at its forty-seventh session, in June 2007.

13.6 The proposed requirements for the biennium 2008-2009 represent an increase of 0.4 per cent in real terms. The net increase of $108,000 (United Nations share) is the result of: (a) an increase of $60,800, which represents the delayed impact of the three Professional posts (1 P-5, 1 P-4, 1 P-3) approved for the biennium 2006-2007; (b) an increase of $337,900 in order to provide for three

new Professional posts (1 P-4, 2 P-2) and the reclassification of one P-2 post to the P-4 level in order to reinforce and support the Centre's applied research, tools and product and programme development; offset by: (c) a decrease of $211,200 owing to the abolition of two General Service (Other level) posts; (d) a decrease of $24,000 in non-post resources for 2008-2009; and (e) an increase in the projected amount of miscellaneous income of $55,500 for 2008-2009 from $186,200 to $241,700.

13.7 The additional posts that are being requested would enable ITC: (a) to strengthen its capacity, through the establishment and implementation of an independent evaluation policy, to provide oversight, accountability and policy direction and to introduce results-based-management principles through the development of indicators to monitor results and the achievement of objectives as well as the establishment of a mechanism for measuring results at the end-user level in beneficiary countries, including outcomes with respect to poverty reduction, gender equity and environmental sustainability; (b) to enhance its efforts to strengthen the private sector in developing countries and countries with economies in transition by building the supply capacity of small and medium-sized enterprises and supporting trade support institutions through a single gateway to all ITC information resources, databases and tools, as well as other relevant sources of business information; and (c) to re-engineer ITC business processes, including more efficient utilization of information technology-enabled technical assistance and enhanced internal and external communications, articulation of the ITC message and development of the ITC brand and strategic marketing function.

13.8 The requirements of ITC expressed at 2006-2007 rates are estimated at SwF 68,782,100 for the biennium 2008-2009. It is projected that an amount of SwF 610,000, representing income from various sources, would be available to ITC during the biennium. On that basis, the contribution of each organization is estimated at SwF 34,086,050 (at 2006-2007 rates) for the biennium 2008-2009. The table below shows the United States dollar equivalent of those requirements for the biennium 2008-2009.

Summary of requirements (United Nations share)

(Thousands of United States dollars)

Regular budget

Object of expenditure	*2004-2005 expenditure*	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*
			Amount	*Percentage*			
Grants and contributions	25 630.3	26 901.5	108.0	0.4	27 009.5	—	27 009.5
Total	**25 630.3**	**26 901.5**	**108.0**	**0.4**	**27 009.5**	**—**	**27 009.5**

13.9 The General Assembly may wish to take note of the planned level of resources. The detailed proposed programme budget of ITC for the biennium 2008-2009 will be submitted to the General Assembly and to the General Council of WTO in the fourth quarter of 2007.